

STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 88-84

USE OF LOCAL MORATORIUMS FOR DETERMINING  
STATE REVOLVING FUND LOAN (SRF) PRIORITIES

WHEREAS:

1. The State Water Resources Control Board (State Board) effectively used locally-imposed moratoriums on individual disposal systems to determine priority list classes under the Clean Water Grant Program.
2. The State Board initially will use the same priority system for the SRF Loan Program.

THEREFORE BE IT RESOLVED THAT:

For the purpose of the SRF Loan Program, the State Board will continue to accept locally-imposed moratoriums in lieu of Regional Board prohibitions where the following criteria have been met:

1. The local moratorium prohibits the construction and use of new individual disposal systems;
2. The local moratorium contains a requirement that residents within the boundaries of the moratorium connect to the public system when it becomes available;
3. The local government entity imposing the moratorium agrees to delegate, to the Regional Board, the final authority for approval of any exemptions to the moratorium; and
4. The Regional Board adopts a resolution accepting the locally-imposed moratorium in lieu of a prohibition.

CERTIFICATION

The undersigned, Administrative Assistant to the State Water Resources Control Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on July 21, 1988.

  
Maureen Marche  
Administrative Assistant to the Board

STATE WATER RESOURCES CONTROL BOARD  
DIVISION OF CLEAN WATER PROGRAMS

STATE REVOLVING FUND  
GUIDANCE MEMORANDUM

No.2 - CONSTRUCTION CONTRACT SPECIFICATION REQUIREMENTS FOR PIPE  
MATERIALS

The purpose of this memorandum is to notify you of a change in the Division of Clean Water Programs (Division) interpretation of Public Contracts Code Section 3400, as it relates to the public contract specification requirements for pipe materials.

Section 3400 of the Public Contracts Code states that:

"No agency ...calling for a designated material, product, thing, or service by a specific brand or trade name unless the specification lists at least two brand or trade names of comparable quality or utility and is followed by the words or equal ..."

Historically, the Division has considered terms such as Vitrified Clay Pipe (VCP), Reinforced Concrete Pipe (RCP), and Polyvinyl Chloride Pipe (PVC) as "trade names" for pipe materials. As a result, the Division has required grant and loan applicants to issue contract specifications that include at least two of the "trade name" pipe material terms and the words "or equal".

Pursuant to the Division's Final Division Decision letter dated July 7, 1993 it has now been determined that terms such as VCP, RCP, and PVC are not considered "trade names". Therefore, compliance with the "two or equal" requirement of Section 3400 for the contract specifications for pipe materials, will not require the use of specifications of more than one type of pipe material (e.g. VCP and PVC).

Notwithstanding this change in the interpretation of Section 3400, you should advise loan applicants that the Division strongly recommends that contract specifications be prepared such that the option of alternative pipe materials is included. Also, if the Value Engineering team recommends that allowing the bidding of other materials could save money, the loan applicant will be required to bid multiple materials. If the loan applicant refuses to accept the lowest bid then the loan will be reduced by the amount of the projected savings.



Harry M. Schueller, Chief  
Division of Clean Water Programs

Date: April 20, 1994

STATE WATER RESOURCES CONTROL BOARD  
DIVISION OF CLEAN WATER PROGRAMS

STATE REVOLVING FUND  
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No.3 - VALUE ENGINEERING REQUIREMENTS

The purpose of this memorandum is to outline the established procedures for implementing the Value Engineering (VE) requirements for State Revolving Fund (SRF) loan projects.

The SRF Loan Program states that value engineering is required where the estimated construction cost at the completion of Facilities Planning is equal to or greater than \$10 million. In situations where projects are segmented, the requirement for VE will be based upon the estimated total construction cost of the project, not the cost of each segment individually.

All SRF loan applicants must be advised of the following VE requirements at the completion of Facilities Planning.

- \* The proposed VE effort must be completed in accordance with the Environmental Protection Agency (EPA) publication Value Engineering For Wastewater Treatment Works (September 1984).
- \* The Value Engineering Team Coordinator (VETC) selected to conduct the VE workshops must be recognized by the Society of American Value Engineers (SAVE) as a Certified Value Specialist (CVS), and have participated in at least ten (10) VE workshops.
- \* The consultant or company that is responsible for performing the project design is not permitted to perform the VE workshops.

Encourage loan applicants to submit Request-For-Proposals (RFP) for VE services to the Division for approval prior to advertising for proposals. This will eliminate the necessity to re-advertise if the RFP/VE Team is not acceptable.

Notify the loan applicants that the cost of the VE effort are considered to be included in the design allowance. Therefore, additional SRF loan funds will not be provided to complete the VE effort.

Make sure loan applicants understand that the failure to complete a VE effort, in accordance with the referenced EPA publication and the provisions stated above, will result in the proposed project being ineligible for SRF loan funding.

You should also encourage all loan applicants to complete value engineering on all projects regardless of construction cost.



Harry M. Schueller, Chief  
Division of Clean Water Programs

Date: April 20, 1994

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No.4 - CONSTRUCTION CONTRACT SPECIFICATION REQUIREMENTS - PUBLIC  
CONTRACTS CODE SECTION 3400 COMPLIANCE

The purpose of this memorandum is to clarify the Division's position regarding the eligibility of projects that do not satisfy the "two or equal" requirement of Section 3400 of the Public Contracts Code and the Division's role in ensuring compliance with Section 3400 on SRF loan funded projects.

In general, the Division cannot issue Plans and Specifications Approval to any project that we believe includes violations of the "two or equal" provision of Section 3400 of the Public Contracts Code.

If during our review of the plans and specifications we discover any apparent or suspected violations of Section 3400, we should (1) notify the loan applicant, in writing, of the violation and the ramifications of non-compliance; and (2) request a legal opinion from their legal counsel certifying that the project plans and specification fully comply with the provisions of Section 3400, for those instances where the loan applicant believes there is no violation.

Please coordinate with our own legal staff on specific items in question, prior to notifying the loan applicant.



Harry M. Schueller, Chief  
Division of Clean Water Programs

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No.5 - APPLICATION OF UNIFORM RELOCATION ACT TO PROJECT IN THE SRF LOAN PROGRAM

The purpose of this memorandum is to outline the basic land pursuant to the State Revolving Fund (SRF) Loan Program.

Although, the SRF Loan Program Policy (January 1993) identifies the purchase of land, easements, and rights-of-way as ineligible for loan funding, loan applicants must comply with the following requirements if their projects involve the acquisition of land, easements, or rights-of-way.

Acquisition Requirements

- \* Loan applicants must comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act). Loan applicants must provide certification that the requirements of the Uniform Act have been satisfied.
- \* Loan applicants must identify the land, easements, and/or rights-of-way that must be acquired for the project during the Facilities Planning phase of the project. The Project Report must include maps that identify the parcels, easements, and rights-of-way that must be acquired.
- \* All land, easements, and/or rights-of-way that are acquired for loan funded projects must be secured for a minimum of twenty (20) years from the date of project certification.

Loan applicants should be informed that the State Water Board will not issue an SRF loan contract until the acquisition of all required land, easements, and/or rights-of-way have been completed. In addition, it should be made clear to loan applicants that the failure to comply with the Uniform Act requirements will result in their project being ineligible for SRF loan funding.

Loan applicants that have specific questions or need guidance in compliance with the land acquisition requirements should be directed to Mr. Ron Blair, the Division's Land Acquisition Coordinator.



Harry M. Schueller, Chief  
Division of Clean Water Programs

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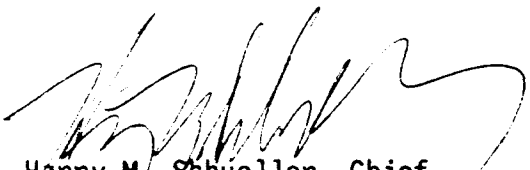
No.6 - CONSTRUCTION MANAGEMENT

The purpose of this memorandum is to address questions that have been raised by SRF loan applicants regarding construction management under the SRF Loan Program.

Loan applicants should be notified that we do require that full-time construction management and inspection services be provided for the duration of the construction.

Pursuant to the SRF Loan Program Policy, loan applicants are entitled to an allowance for construction management services on their projects. However, we are not involved in the review and approval of construction management services contracts.

For those loan applicants that require assistance in the selection of a qualified construction management firm, the Division has developed a sample Request-For-Proposal (RFP). Copies of the sample RFP are available from the section secretary. Please note that the sample RFP only includes typical CM services. Loan applicants should be informed that the sample RFP should be used only as a guide in preparing an RFP that addresses the specific CM services necessary for their particular projects. In addition, it should be made clear to loan applicants that they must satisfy all applicable state and local procurement laws and ordinances, respectively.



Harry M. Schueller, Chief  
Division of Clean Water Programs

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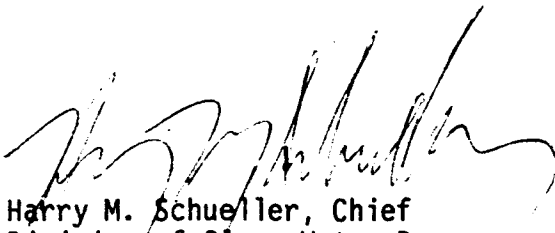
No. 7 - CONSTRUCTION STARTED PRIOR TO LOAN AWARD

Applicants with projects that have received Facilities Plan Approval after January 21, 1993, should be made aware of the following eligibility policy:

1. The project must have Plans and Specifications Approval prior to SRF Loan Award.
2. Any construction costs incurred prior to effective date of the SRF Loan will not be eligible for Loan funds.
3. The effective date of the SRF loan will be the date of the Plans and Specification Approval. This date will also be the date specified in the loan contract as the date the loan is made between the State of California and the loan applicant.

This policy should be emphasized in all our contacts with the loan applicants.

Applicants with projects that received Facilities Plan Approval prior to January 21, 1993, are not affected by this policy.



Harry M. Schueller, Chief  
Division of Clean Water Programs

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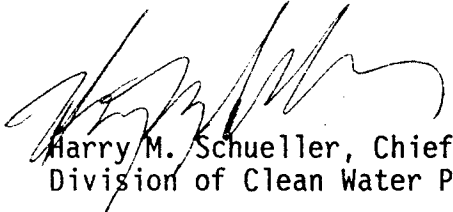
STATE WATER RESOURCES CONTROL BOARD  
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No. 8 - PUBLIC UTILITY SERVICE AND RELOCATION

As the results of discussions among the Division staff, the loan program guidance relating to construction funding of work concerning public utilities will be as follows:

1. Relocation costs of public utilities that interfere with the construction of eligible projects are eligible.
2. Public utilities are defined as those publicly or investor-owned utilities furnishing gas, electric, water, telephone, or cable T.V. services.
3. Line items in the contractor's bid establishing a dollar amount for connection or relocation of a public utility will be eligible for loan funds subject to the transmittal of proper invoices for the work.
4. It is not necessary that the exact work to be done be shown on the plans or be a part of the specification, but the cost and general scope of this work must be specified as part of the construction bid.
5. Any work, including work by public utilities, that is not included in the selected low contractor's construction bid or specified in the allowance tables in the policy will not be eligible for loan funds.



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